Supreme Court, U.S.
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No.

In The

Supreme Court of the United States

October Term, 1996

HARRIS CUSTOM BUILDERS, INC.,

Petitioner,

vs.

RICHARD HOFFMEYER,

Respondent.

Petition for Writ of Certiorari to the United States Court of Appeals for the Seventh Circuit

PETITION FOR WRIT OF CERTIORARI

JAMES P. HANRATH
Counsel of Record
JAMES P. HANRATH P.C.
Attorney for Petitioner
415 West Washington Street
Suite 216
Waukegan, Illinois 60085-5564
(847) 244-1320

70099 (800) 3 APPEAL • (800) 5 APPEAL • (800) BRIEF 21 Lutz Appellate Services, inc.

52 pp

QUESTIONS PRESENTED

1. Whether loss of copyright in and entry of a 17 U.S.C. § 101 "derivative work" authorship into the public domain for lack of copyright notice under 17 U.S.C. § 401 constitutes a publication and forfeiture of copyright in the "source work" authorship necessarily employed in the derivative work when the underlying "source work" itself is conceded to be "unpublished" and in fact had proper copyright notice?

2. Whether publication of a 17 U.S.C. § 101 "derivative work" constitutes a publication of the independent underlying "source work" necessarily employed in the "derivative work"?

3. Whether the copyright term and validity of a 17 U.S.C. § 101 "derivative work" is independent of the underlying "source work" such that entry of the "derivative work" into the public domain does not affect the underlying unpublished "source work"?

RULE 29.6 LISTING

Pursuant to Rule 29.6, Petitioner Harris Custom Builders, Inc. is a private corporation registered in the State of Illinois with no parents or subsidiaries.

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APPENDIX

Appendix A — Order of the United States Court of Appeals for the Seventh Circuit Dated September 10, 1996 ..... 1a

Appendix B - Opinion of the United States Court of Appeals for the Seventh Circuit Decided August 8, 1996 ..... 3a

Appendix C — Memorandum Opinion and Order of the United States District Court for the Northern District of Illinois, Eastern Division Dated February 2, 1995 ..... 14a

Harris Custom Builders, Inc. ("Harris") respectfully prays that a Writ of Certiorari issue to review the Judgment and Opinion of the United States Court of Appeals for the Seventh Circuit entered in this proceeding on August 8, 1996 because the same repudiates United States Supreme Court precedent, conflicts with prior decisions of the United States Court of Appeals for the Second, Fifth, Eighth, and Ninth Circuits, and contradicts 17 U.S.C. §§ 101, 102, 103(b), and 401(a).

OPINIONS BELOW

The August 8, 1996 Judgment and Opinion of the United States Court of Appeals for the Seventh Circuit that gives rise to this Petition is reported at 39 U.S.P.Q. 2d 1787 (7th Cir. 1996). It is reprinted at Appendix B page 3a. By Order filed September 10, 1996, the Seventh Circuit denied a Petition For Rehearing And Suggestion For Rehearing En Banc. This order is reprinted at Appendix A page 1a. The Order of the District Court subject of the appellate proceeding is reported at 874 F. Supp. 899, 34 U.S.P.Q. 2d 1250 (N.D. Ill. 1995). The District Court Opinion is reprinted at Appendix C page 14a.

STATEMENT OF JURISDICTION

On February 2, 1995 the United States District Court for the Northern District of Illinois, Eastern Division, per Judge James F. Holderman, issued a Memorandum, Opinion and Order granting Harris a summary judgment of copyright liability. This judgment was reversed by the United States Court of Appeals for the Seventh Circuit in an Opinion entered August 8, 1996. The Court of Appeals for the Seventh Circuit denied Harris' timely Petition For Rehearing With Suggestion For Rehearing En Banc on September 10, 1996. Jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTES INVOLVED

17 U.S.C. § 101 provides in part:

> § 101. Definitions
>
> As used in this title [17 USCS §§ 101 et seq.], the following terms and their variant forms mean the following:
>
> A "derivative work" is a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a "derivative work".

17 U.S.C. § 102 provides:

> § 102. Subject matter of copyright: In general
>
> (a) Copyright protection subsists, in accordance with this title [17 USCS §§101 et. seq.], in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:

(1) literary works;

(2) musical works, including any accompanying words;

(3) dramatic works, including any accompanying music;

(4) pantomimes and choreographic works;

(5) pictorial, graphic, and sculptural works;

(6) motion pictures and other audiovisual works; and

(7) sound recordings.

(b) In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work. (Added Oct. 19, 1976, PL 94-553, Title I, §101, 90 Stat 2544.)

17 U.S.C. § 103 provides:

§ 103. Subject matter of copyright: Compilations and derivative works

(a) The subject matter of copyright as

> specified by section 102 [17 USCS § 102] includes compilations and derivative works, but protection for a work employing preexisting material in which copyright subsists does not extend to any part of the work in which such material has been used unlawfully.
>
> (b) The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material. (Added Oct. 19, 1976, P.L. 94-553, Title I, §101, 90 Stat 2545.)

17 U.S.C. § 401 provides:

> § 401. Notice of copyright: Visually perceptible copies
>
> (a) General requirement. Whenever a work protected under this title [17 USCS §§ 101 et seq.] is published in the United States or elsewhere by authority of the copyright owner, a notice of copyright as provided by this section shall be placed on all publicly distributed copies from which the work can

be visually perceived, either directly or with the aid of a machine or device.

(b) Form of notice. The notice appearing on the copies shall consist of the following three elements:

(1) the symbol © (the letter C in a circle), or the word "Copyright", or the abbreviation "Copr."; and

(2) the year of first publication of the work; in the case of compilations or derivative works incorporating previously published material, the year date of first publication of the compilation or derivative work is sufficient. The year date may be omitted where a pictorial, graphic, or sculptural work, with accompanying text mater, if any, is reproduced in or on greeting cards, postcards, stationery, jewelry, dolls, toys, or any useful articles; and

(3) the name of the owner of copyright in the work, or an abbreviation by which the name can be recognized, or a generally known alternative designation of the owner.

(c) Position of notice. The notice shall be affixed to the copies in such manner and location as to give reasonable notice of the claim of copyright.

The Register of Copyrights shall prescribe by regulation, as examples, specific methods

of affixation and positions of the notice on various types of works that will satisfy this requirement, but these specifications shall not be considered exhaustive. (Added Oct. 19, 1976, P.L. 94-553, Title I, §101, 90 Stat. 2576.)

STATEMENT OF THE CASE

Harris owned copyright in ***a first work of authorship*** of unpublished architectural blueprints, each page of the blueprints containing a proper copyright notice. The Harris copyrighted architectural plans were originally prepared in early 1983 to build a home called the Mundhank House. In 1988, Harris built another home called the Spring Creek House based on the 1983 architectural plans. Harris registered the Spring Creek blueprints with the U.S. Copyright Office in January 1989 before all alleged infringing activity.

Importantly, it is undisputed that the Harris architectural plans were not published prior to their registration and each page of the plans contained proper copyright notice.

In late 1983 Harris published a promotional sales brochure (the ***second authorship*** involved herein), as a marketing tool advertising the Mundhank House, which contained an abridged and condensed first and second floor plan based on and employing subject matter of the detailed architectural drawing first authorship. It is undisputed that the sales brochure is a "derivative work" under 17 U.S.C. § 101 being an adaptation, condensation, or recasting of the pre-existing architectural blueprint. The Harris derivative work sales brochure was found to have entered the public domain for lack of 17 U.S.C. § 401 copyright notice. In 1988 or 1989, another sales brochure was prepared by Baird & Warner without Harris' authority as a

marketing tool for a second selling of the Mundhank House. The Baird & Warner brochure was virtually identical to the Harris 1983 brochure except for deleting all reference to Harris and substituting Baird & Warner therefor.

In March 1989, after registration of Harris' copyright for the unpublished architectural blueprints, Richard Hoffmeyer and his architect, Nick DeLuca, assert that they used the Baird & Warner sales brochure to prepare the accused detailed architectural blueprints to build a home.

In an ensuing copyright infringement action, the District Court for the Northern District of Illinois, Eastern Division, per Judge James F. Holderman, determined on summary judgment that copying of the derivative work public domain sales brochure infringed Harris' valid independent copyright in the underlying authorship of unpublished architectural drawings. The District Court found that entry of the second authorship — derivative work brochure into the public domain for lack of copyright notice did not affect Harris' copyright in the first authorship — unpublished architectural drawings. The District Court relied upon statutory authority and case law that the copyright in a derivative work is independent of the underlying source work and that copying of a public domain derivative work may infringe the statutory copyright in an underlying work.

The District Court's grant of summary judgment stated that since the sales brochure is a derivative work, "the law is clear that the publication of a derivative work does not affect the validity of the copyright in the pre-existing work on which the derivative work is based, despite the incorporation of the underlying work into the derivative work." (19a, 20a), citing *Stewart v. Abend* and *Russell v. Price.* The District Court further found that "although the derivative work may enter the public domain, the matter contained therein which derives from a work

still covered by statutory copyright is not dedicated to the public". (20a). The District Court found that copying "of material in the derivative work, which is also contained in the underlying work, constitutes infringement of the copyright in the underlying work". (20a). The District Court also found that any reasonable ordinary observer must conclude that Plaintiff's copyrighted architectural drawings and the Defendant's architectural drawings are substantially similar and, "In fact, the drawings are overall virtually identical." (23a, 24a).

The United States Court of Appeals for the Seventh Circuit reversed the District Court and held that publication of the derivative work sales brochure without copyright notice published and forfeited or partially invalidated that portion of the independent underlying source work — architectural detailed drawings necessarily employed in the derivative work, even though the source work itself was both unpublished and contained proper copyright notice.

REASONS FOR GRANTING THE WRIT

The Judgment and Opinion of the United States Court of Appeals for the Seventh Circuit profoundly alters copyright law directly contrary to and without even discussing pertinent statutory or judicial authority. The Circuit decision fails to address and repudiates the United States Supreme Court decision of *Stewart v. Abend*, 495 U.S. 207, 110 S. Ct. 1750 (1990). The Circuit decision fails to address and contradicts the Second Circuit decisions of *G. Ricordi & Co. v. Paramount Pictures, Inc.*, 189 F.2d 469 (2nd Cir. 1951) and *Filmvideo Releasing Corp. v. Hastings*, 668 F.2d 91 (2nd Cir. 1981), the Eighth Circuit decision of *Nucor Corp. v. Tennessee Forging Steel Service, Inc.*, 476 F.2d 386 (8th Cir. 1973), and the Ninth Circuit decision of *Russell v. Price*, 612 F.2d 1123 (9th Cir. 1979). The Circuit decision conflicts with the Fifth Circuit decision of *Imperial*

Homes Corp. v. Lamont, 458 F.2d 895 (5th Cir. 1972). The Circuit decision overlooks and contradicts with 17 U.S.C. §§ 101, 102, 103(b), and 401(a).

The Seventh Circuit Judgment and Opinion holds that publication of a 17 U.S.C. § 101 derivative work (the sales brochure authorship) without proper copyright notice is a publication of, and a forfeiture of, that portion of the independent source work (the unpublished architectural blueprints) by statutory definition necessarily employed in the derivative work. The Circuit decision therefore ***anomalously invalidates or forfeits a portion of the underlying source work copyright (which, although not required to have had, actually had proper copyright notice) on the basis of a lack of copyright notice on an independent derivative work authorship.***

I.

THE CIRCUIT DECISION FAILS TO ADDRESS AND IRRECONCILABLY CONTRADICTS U.S. SUPREME COURT PRECEDENT AND SECOND, FIFTH, EIGHTH, AND NINTH CIRCUIT CASE LAW RELIED UPON BY THE DISTRICT COURT.

A. The Copyright of a Derivative Work Is Independent of the Underlying Source Work; Any Entry of the Derivative Work Sales Brochure into the Public Domain Did Not Affect the Infringed Underlying Architectural Blueprint Source Work.

The Circuit decision repudiates and is irreconcilable with what the United States Supreme Court in *Stewart v. Abend* recognized to be "well established" and "well-settled" decisional and 17 U.S.C. § 103(b) law that:

(1) a derivative work by statutory definition is an

independent work of authorship, separate and apart, from an underlying authorship work (at page 1767; 17 U.S.C. §101);

(2) **The copyright in a derivative work is independent of and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the pre-existing material** (at page 1767; 17 U.S.C. § 103(b));

(3) ***the full force of the separate copyright in the pre-existing work is preserved despite its employment or incorporation into a 17 U.S.C. § 101 derivative work*** (at page 1767);

(4) ***publication of* the derivative work "shall not affect the force or validity of any subsisting copyright upon the matter employed"** (at page 1767; 17 U.S.C. § 103(b)); and

(5) **"the underlying work's copyright term exists independently of the derivative work's term"** (dissent at page 1772 n. 6).

The Circuit decision erroneously treats the derivative work brochure copyright as being one and the same as, tied to, interchangeable with, or an aggregate of the copyright of the underlying work of unpublished Harris architectural blueprints.[1]

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1. The Circuit decision's page 6 rhetorical question of "How can a published work remain copyrighted based on its status as an unpublished work" proceeds from the false premise that copyright of the published derivative work brochure authorship is not independent of the separate copyright for the unpublished source work architectural drawing authorship. The simple answer to the question is *Stewart v. Abend* and *Russell v. Price:* the indisputably "unpublished" source work of architectural drawings herein retains its own copyright status (*including per 17 U.S.C. § 103(b) all matter of the source work employed in the 17 U.S.C. § 101 derivative work*) despite publication of the distinct derivative brochure authorship.

The Circuit decision repudiates United States Supreme Court precedent and sister Circuit case law by treating the publication of the derivative brochure to be not a publication of itself as an independent authorship work having a separate copyright status, but rather as the publication of that portion of the independent source work of unpublished architectural blueprints employed (by 17 U.S.C. § 101 definition) in the derivative work.

Although the copyright of a derivative work may have fallen into the public domain, the earlier source work is still protected by its distinct copyright such that one is only justified in copying the *new matter in the derivative work but not the matter in common with the underlying work. G. Ricordi & Co. v. Paramount Pictures, Inc.*, 189 F.2d 469 (2nd Cir.1951); *Grove Press, Inc. v. Greenleaf Publishing*, 247 F. Supp. 518 (E.D.N.Y. 1965); *Russell v. Price*, 612 F.2d 1123 (9th Cir.1979); *Filmvideo Releasing Corp. v. Hastings*, 668 F.2d 91 (2nd Cir. 1981); and *Stewart v. Abend*, 110 S. Ct. 1750 (1990).

The United States Supreme Court in *Stewart v. Abend* stated:

> So long as the pre-existing work remains out of the public domain, its use is infringing if one who employs the work does not have a valid license or assignment for use of the pre-existing work. *Russell v. Price, supra*, at 1128 ("[E]stablished doctrine prevents unauthorized copying or other infringing use of the underlying work ***or any part of that work contained in the derivative product*** so long as the underlying work itself remains copyrighted"). It is irrelevant whether the pre-existing work is inseparably intertwined with the derivative work. See *Gilliam v. American Broadcasting Cos.*, 538 F.2d 14,

> 20 [192 USPQ 1] (CA2 1976) ("[C]opyright in the underlying script survives intact despite the incorporation of that work into a derivative work"). ***Indeed, the plain language of § 7 supports the view that the full force of the copyright in the pre-existing work is preserved despite incorporation into the derivative work***. See 17 U.S.C. § 7 (1976 ed.) ("***publication of the derivative work "shall not affect the force or validity of any subsisting copyright upon the matter employed***"); . . . This well-settled rule also was made explicit in the 1976 Act: "The copyright in a compilation or ***derivative work*** extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. ***The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the pre-existing material***." 17 U.S.C. § 103(b)."

(At page 1767, emphasis added).

Contrary to the Circuit decision, **statutory** copyright in an underlying work is not affected by the derivative works thereof. The Circuit decision made no attempt to even discuss the *Stewart v. Abend* substantive basis of the District Court ruling.

The Circuit decision likewise made no attempt to address or distinguish several other cases relied upon by Harris and the District Court.

In *Grove Press, Inc. v. Greenleaf Publishing Co.*, 247 F. Supp. 518 (E.D.N.Y. 1965), the District Court granted summary judgment for Plaintiff on the rationale that Defendant's copying of a public domain authorized English translation of a book infringed the underlying French language work which was protected by a U.S. copyright. At page 525 the court stated:

> The translation does not insulate the original story from copyright infringement even though the translation itself may be uncopyrighted. Like any other ***derivative work***, the translation ***is separate and apart from the underlying work and a dedication to the public of the derivative work did not without more, emancipate the pattern of the underlying work from its copyright***.

(Emphasis added).

The *Grove Press* Court also observed at page 529 that:

> ***. . . it would not follow that the failure of the derivative author to copyright his derivative work would automatically dedicate the pattern of the copyrighted underlying work to the public domain***.

(Emphasis added).

In *Russell v. Price*, 612 F.2d 1123 (9th Cir.1979) an authorized film version of the play "Pygmalion" based on George Bernard Shaw's play of the same name fell into the public domain. The Defendants were distributing copies of the film derived from the play while Shaw's stage play was protected by copyright. The Ninth Circuit affirmed the District Court granting of partial summary judgment for Plaintiff holding at page 1128:

> Thus, we reaffirm, without finding it necessary to repeat the rationale, the well-established doctrine that a derivative copyright protects only the new material contained in the derivative work, not the matter derived from the underlying work. (citation omitted) Thus, ***although the derivative work may enter the public domain, the matter contained therein which derives from a work still covered by statutory copyright is not dedicated to the public.*** (citations omitted) ***The established doctrine prevents unauthorized copying or other infringing use of the underlying work or any part of that work contained in the derivative product so long as the underlying work itself remains copyrighted.***

(Emphasis added).

In *Filmvideo Releasing Corp. v. Hastings,* 668 F.2d 91 (2nd Cir. 1981) the Second Circuit held that the fact that licensed derivative motion pictures fell into the public domain did not mean that the matter in the films derived from the underlying copyrighted books also fell into the public domain. (*Accord G. Ricordi & Co. v. Paramount Pictures, Inc.,* 189 F.2d 469 (2nd Cir. 1951)).

B. The Circuit Decision Irreconcilably Conflicts With 17 U.S.C. §§ 101, 102, 103(b) and 401(a).

The Circuit decision concedes at page 5:

> [I]t is undisputed that the [Harris architectural] plans themselves in their

> original form remained unpublished until they were registered in 1989".[2]

(*See also* page 2).

The unpublished nature of the Harris architectural plan source work is significant for several reasons.

First, **only the derivative work brochure authorship was published, not the underlying source work architectural blueprints.** Under 17 U.S.C. §§ 101 and 103(b), and the United States Supreme Court and sister Circuit case law relied upon by the District Court, **publication of the derivative authorship is not a publication of and has no effect on the source work authorship.** The Circuit decision holds *the exact opposite.*

Distribution of the derivative work brochure containing abbreviated floor plans, or even a public display of the home (which shows at site the brochure condensation) is not a publication of, or an abandonment or waiver of, the copyright in the detailed "Architectural Technical Drawings" for the home. *Imperial Homes Corp. v. Lamont,* 458 F.2d 895, 899 (5th Cir. 1972); *Nucor Corp. v. Tennessee Forging Steel Service, Inc.,* 476 F.2d 386, 390-91 (8th Cir. 1973).

Second, **unpublished works require no 17 U.S.C. § 401(a) copyright notice**. *Intown Enterprises, Inc. v. Barnes,* 721 F. Supp. 1263 (N.D. Ga. 1989). Harris' registered underlying source work consisted of ***unpublished*** architectural drawings, and each of the five sheets thereof, ***although not required to have had copyright notice, actually contained proper copyright notice***. (7th Cir. Appendix pages A19, A20, A265-A267). The

2. This finding inherently conflicts with any assertion that the source work architectural drawings were published by the differing sales brochure derivative work.

Circuit decision anomalously contradicts 17 U.S.C. § 401(a) ***by invalidating or forfeiting a portion of Harris' underlying source work copyright which contained proper copyright notice on the basis of a lack of copyright notice on an independent derivative work authorship***. Any 17 U.S.C. § 401(a) forfeiture should have been to the new matter in the derivative work, not matter in common with the unpublished underlying source work protected by statutory copyright.

The Eleventh Circuit forfeiture case of *Evans v. Continental Homes, Inc.*, 785 F.2d 897 (11th Cir. 1986) provides no support for a forfeiture of the copyright in Plaintiff's underlying unpublished architectural drawings (which had proper copyright notice) based on lack of copyright notice on the derivative work brochure. That case did not address or involve the question of a **derivative work entering the public domain versus an underlying statutorily protected unpublished source work**. There, the asserted works of authorship, published works requiring 17 U.S.C. § 401 copyright notice, were published without notice coupled with an insufficient attempt to cure the omission per the provisions of 17 U.S.C. § 405.

C. The Circuit Decision Is Entirely Based Upon an Outdated and Inapplicable Opinion of Nimmer on Copyrights.

The Circuit decision repudiates and holds the opposite of the *Stewart v. Abend* and *Russell v. Price* substantive basis of the District Court based upon a crucial paragraph at page 7:

> Even though the brochure is a derivative work, in this instance that fact is beside the point. A "publication of a derivative work constitutes a publication of the pre-existing works contained therein." 1 Nimmer on Copyright § 4.12[A] n.2. Harris' copyright on the plans themselves depends on their

> being unpublished. Once Harris, itself published a part of the drawings without notice, and without using the cure provisions, it forfeited its right to a copyright in the abbreviated drawings.

First, the **only** authority cited to support this determinative conclusion is a misleading and factually inapplicable citation to an outdated opinion[3] of Nimmer on Copyright at § 4.12(A).

Nimmer's "it would seem" opinion appeared at 1 Nimmer on Copyright (1965) § 57.1 p. 220 and was considered and rejected in the 1965 *Grove Press, Inc. v. Greenleaf Publishing Co.* decision (see p. 525). The 1965 Nimmer opinion and its "by implication" footnote basis conflicts with the 1990 U.S. Supreme Court *Stewart v. Abend* decision that **publication of a derivative work shall not affect the force or validity of any subsisting copyright upon the matter employed** and 17 U.S.C. § 103(b) which provides that **copyright in a derivative work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the pre-existing material.**

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3. The footnote citation proceeds from the following 1965 opinion sentence of Nimmer: "Although neither the current Copyright Act nor its predecessor statutes directly address the issue[2], and there is surprisingly little case authority on the question, it would seem that any authorized publication of a derivative work must necessarily also constitute a publication of the preexisting work upon which it is based". Footnote 2 of the sentence states: "The current Act does, however, by implication indicate that the publication of a derivative work constitutes a publication of the preexisting works contained therein. This is to be inferred from 17 U.S.C. § 401(b)(2) which provides that the year contained in the notice pertaining to the derivative work 'is sufficient' **to meet the notice requirements pertaining to *previously published* preexisting works**. Since a notice is only required upon publication (*see* § 7.03 *infra*) there would be no need for this provision of sufficiency if the publication of the derivative work did not also constitute a publication of the preexisting works embodied therein." (emphasis added).

In any event, the footnote citation is only an opinion based on an "*implication*" of 17 U.S.C. § 401(b)(2) which is factually inapplicable herein. 17 U.S.C. § 401(b)(2), in applicable part, refers to the form of copyright notice "in the case of compilations or ***derivative works incorporating previously published material***". (emphasis added). That is not the case herein as the subject derivative work brochure did not incorporate a ***"previously published" pre-existing work***; it is undisputed herein that the pre-existing Harris architectural blueprints were unpublished. (*See* 4a, 8a).

Finally, the opinion citation is completely out of context as § 4.12[A] refers to a "general rule" relative the situation of when the derivative work is the same medium of expression as the source work (a book versus a new revised edition of the book). This is contrary to the present cause wherein the medium of detailed architectural drawings serves the purpose of instructing a distinct trained audience (contractors) how to build a home and the differing medium of the derivative work sales brochure is used to convey information of the house built to the applicable purchasing public. Indeed, Nimmer at § 4.12(B) discusses authority **contrary to** the general rule and at § 3.07(C) discusses **the case law relied upon by the District Court as an exception to the general rule.**

Second, the crucial paragraph of the Circuit decision is based on the paradoxical statement that "Harris' copyright on the plans themselves depends on their being unpublished". As previously noted it is undisputed that the separate authorship "plans themselves" were not published. Also, the statement is contrary to 17 U.S.C. § 102. ***The Circuit decision overlooks that statutory copyright protection in Harris' architectural drawing source work is based, not upon its unpublished nature as in common law copyright under the 1909 Act, but by virtue of its 1983 fixation in a "tangible medium of expression" per 17 U.S.C. § 102.***

Third, the conclusion of the quoted Circuit decision statement that Harris forfeited "its right to a copyright in the abbreviated drawings" repudiates and is the opposite of the *Stewart v. Abend* and *Russell v. Price* substantive basis of the District Court. Harris forfeited nothing of its independent source work of detailed architectural drawings including, per the statutory mandate of 17 U.S.C. § 103(b), the matter thereof employed in the derivative work.

II.

ACCUSED DETAILED ARCHITECTURAL DRAWINGS WERE FOUND TO INFRINGE HARRIS' DETAILED ARCHITECTURAL DRAWINGS.

Harris has always asserted, and the District Court found, that Hoffmeyer's **accused detailed architectural drawings** were virtually identical to and infringed Harris' underlying work of **detailed architectural drawings** (not the derivative brochure authorship). The Circuit decision stating at page 12a that "Hoffmeyer copied the drawings in the brochure" is an insufficient stating of the infringing activity; Hoffmeyer did not reproduce **the derivative brochure abbreviated floor plan** for purposes of obtaining building permits required by municipal authority, allowing subcontractors to bid on the home project, or providing detailed instruction to the successful contract bidders on how to build the home subject of the abridged floor plan. ***The usage of the brochure was not a direct and unmediated copying of the same as a sales tool. Rather, the usage was indirect and mediated to obtain through the derivative brochure work the underlying pre-existing source work of detailed architectural drawings necessarily employed in the derivative work.***

III.

THE CIRCUIT OPINION PROFOUNDLY CHANGES COPYRIGHT LAW PROVIDING A CHILLING EFFECT ON ADDITIONAL AUTHORSHIP.

The Circuit decision penalizes Harris contrary to statutory and judicial authority for engaging in an additional authorship recasting or transformation of the underlying source work (architectural detail drawings) into an independent derivative work (the sales brochure which includes condensed floor plans). This does not promote authorship but rather establishes a profound chilling effect by uprooting statutory and judicial authority which safeguards the statutory copyright in an underlying source work separate from the distinct copyright of an additional authorship derivative work. The uprooting is done without addressing the District Court's reliance on *Stewart v. Abend* and *Russell v. Price*, or closely examining 17 U.S.C. §§ 101, 102, 103(b) and 401(a).

CONCLUSION

The petition for writ of certiorari should be granted.

Respectfully submitted,

JAMES P. HANRATH
Counsel of Record
JAMES P. HANRATH P.C.
Attorney for Petitioner
415 West Washington Street
Suite 216
Waukegan, Illinois 60085-5564
(847) 244-1320

APPENDIX A — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT DATED SEPTEMBER 10, 1996

United States Court of Appeals
For the Seventh Circuit
Chicago, Illinois 60604

September 10, 1996

Before

Hon. Walter J. Cummings, *Circuit Judge*

Hon. Daniel A. Manion, *Circuit Judge*

Hon. Terence T. Evans, *Circuit Judge*

No. 95-2972

HARRIS CUSTOM BUILDERS, INC.,

Plaintiff-Appellee,

v.

RICHARD HOFFMEYER,

Defendant-Appellant.

Appeal from the United States District Court for the Northern District of Illinois, Eastern Division.

No. 90 C 741

James F. Holderman, *Judge.*

Appendix A

ORDER

On August 20, 1996, the plaintiff-appellee filed a petition for rehearing with suggestion for rehearing en banc. All the judges on the original panel have voted to deny the petition, and none of the active judges have requested a vote on the suggestion for rehearing en banc. The petition is therefore DENIED.

APPENDIX B — OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT DECIDED AUGUST 8, 1996

In the

United States Court of Appeals

For the Seventh Circuit

No. 95-2972

HARRIS CUSTOM BUILDERS, INC.,

Plaintiff-Appellee,

v.

RICHARD HOFFMEYER,

Defendant-Appellant.

Appeal from the United States District Court
for the Northern District of Illinois, Eastern Division.
No. 90 C 741—James F. Holderman, Judge.

ARGUED MARCH 29, 1996—DECIDED AUGUST 8, 1996

Before CUMMINGS, MANION, and EVANS, *Circuit Judges.*

EVANS, Circuit Judge. Harris Custom Builders, Inc. has accused Richard Hoffmeyer of infringing its copyright on a set of architectural plans. To say the least, the case was hard fought on several and shifting fronts in the district court. Ultimately

Appendix B

Harris won. The primary issues we are considering are the district court's rulings on summary judgment that the copyright on the architectural plans was infringed and is not invalid. Our analysis is relevant only to cases, such as this one, which arise under the 1976 Copyright Act, prior to its amendment by the Berne Convention Implementation Act. For simplicity's sake, we will refer to the applicable law as the 1976 Act.

In 1983, an architect named Maxwin Heimann, who worked for Fernando Meana d/b/a FM Custom Designs, prepared a set of architectural plans for Harris Custom Builders. Harris used the plans to build a home it called the Mundhank House. The architectural plans were not published. Also in 1983, Harris published a brochure, advertising the Mundhank House. The brochure contained abbreviated and incomplete drawings based on the plans. The brochure did not contain a copyright notice and was not registered with the registrar of copyrights.

In 1988, Harris built another home, called Spring Creek, based on the 1983 architectural plans. In January 1989, Harris, claiming to be the author, registered the Spring Creek blueprints. The title of the work was English Manor. Harris' justification for claiming to be the author was that the plans—though drawn by Heimann—were made for Harris, which claimed that they were a "work made for hire." In addition, Harris claims that it, not Heimann or Meana, is the owner of the copyright by assignment, by quit-claim deed of copyright, by joint ownership, and by equitable ownership. Neither Heimann nor Meana make any claim to ownership of the copyright in the plans.

In late 1988 or early 1989, another brochure was prepared for Harris by Baird & Warner. This one was almost identical to the one prepared in 1983, and like that one, this one did not contain a copyright notice and was not registered.

Appendix B

After the registration of the copyright in the plans for English Manor, Richard Hoffmeyer built a house from blueprints, which the district court found to be substantially similar to the Harris blueprints as published in abbreviated form in the brochure. Hoffmeyer's architect, Nick DeLuca, acknowledges that in designing the house Hoffmeyer built, he used the Baird & Warner sales brochure to prepare his blueprints. DeLuca's blueprints are dated March 14, 1989, and the building permit for construction of the house was issued in July 1989.

There has been no finding that Hoffmeyer or DeLuca had access to the Harris plans themselves. The issue of access was twice the subject of summary judgment motions in the district court. In one, Hoffmeyer sought summary judgment contending that he used the Baird & Warner brochure, not the plans, in designing his house. That motion was denied, in part because there was a factual question as to whether Hoffmeyer had access to the plans. In a second motion, Hoffmeyer contended that he did not have access to the plans; that motion was also denied.

Next, the district court considered cross-motions for summary judgment. In connection with these motions, Harris, apparently changing its tactics, contended that Hoffmeyer's architect copied the brochure, and by so doing infringed the copyright. In its statement of undisputed material facts, Harris said:

> When Nicholas DeLuca prepared the Schwartz working drawings he did so directly from the Baird & Warner brochure which he had before him and made constant reference to while preparing the Schwartz working drawings.

This statement compels the conclusion that Harris has abandoned any claim that DeLuca literally had access to the blueprints themselves.

The district court, however, concluded that because Hoffmeyer had access to the brochure, he "had access to the copyrighted material." The court then compared the Hoffmeyer blueprints to the Harris blueprints and found them to be substantially similar. A finding of infringement was entered. In addition, the district court found that the Harris copyright was not invalid. The court also refused to allow Hoffmeyer to present a defense that he was an "innocent infringer." These are the rulings which Hoffmeyer appeals.

This case arises, as we said, under the Copyright Act of 1976, which became effective January 1, 1978. 17 U.S.C. § 102. The 1976 Act was amended by the Berne Convention Implementation Act of 1988, which became effective March 1, 1989. Under § 13 of that Act, "[a]ny cause of action arising under title 17, United States Code, before the effective date of this Act shall be governed by the provisions of such title as in effect when the cause of action arose."

Copyright ownership vests in the author of the work. 17 U.S.C. § 201. As a general rule, the author is the party who actually creates the work. § 102. There is, however, an allowance for "works made for hire." If the work is made for hire, the owner is the employer or other person for whom the work was prepared. § 201(b). The contours of the work for hire doctrine were restricted in *Community for Creative Non-Violence v. Reid,* 490 U.S. 730 (1989). It was no longer sufficient that the hiring party had a right to control the work. Courts were instructed to apply principles of the general common law of agency as a

starting point for the analysis as to whether a work was a work made for hire. Prior to the decision in Reid, the law of this circuit was that the right to control and supervise an independent contractor brought the work within the definition of a work made for hire. *Evans Newton, Inc. v. Chicago Systems Software,* 793 F.2d 889 (7th Cir. 1986), *cert. denied,* 479 U.S. 949.

The authorship of the "English Manor" plans plays a role in this case. For instance, Hoffmeyer contends that Harris' copyright registration is invalid because it listed Harris as the author, even though the plans were not a "work made for hire" under *Reid.* Harris says that the contention is irrelevant. *Reid* was not decided until four months after the registration had issued, and at the time, Harris' belief that the plans were a work made for hire was reasonable. Under these facts, we will not invalidate the copyright on this basis.

Ownership is also important to the infringement issue. In order to make out a valid claim of copyright infringement, Harris must show both ownership of a valid copyright and copying of constituent elements of the work that are original. *Wildlife Express Corp. v. Carol Wright Sales, Inc.,* 18 F.3d 502 (7th Cir. 1994). Harris, therefore, must also have a copyright in order to assert a claim of infringement.

Turning to the relationship between the plans and the brochure, we note that under the 1976 Act, publication of a work without proper copyright notice tentatively puts the work into the public domain. However, to alleviate the harshness of that principle, the law provides cure provisions. Publication of a work without notice will not extinguish a copyright in the work if registration is made within five years after the publication without notice and a reasonable effort is made to add notice to

all copies which are distributed to the public in the United States after the lack of notice is discovered. 17 U.S.C. § 405(a); *Eastern Pub. & Adv. v. Chesapeake Pub. & Adv.*, 831 F.2d 488 (4th Cir. 1987), *remanded on other grounds,* 492 U.S. 913 (1989).

Under the 1976 Act, then, Harris' plans would remain copyrighted so long as they were unpublished, were published with notice, or if they were published without notice, so long as they were registered within five years and subsequently published with notice. 17 U.S.C. § 405. In this regard, many facts are undisputed. It is undisputed that the plans themselves in their original form remained unpublished until they were registered in 1989; that the brochures contained abbreviated versions of the plans and were published without notice; that the cure provisions do not apply because the first brochure was published in 1983 and the registration was not filed until 1989, more than five years later. It is also undisputed that the brochure containing the abbreviated drawings went into the public domain. What is hotly disputed is the meaning of that final fact.

As did the district court, Harris relies heavily on the principles of law involving derivative works to save its copyright. A derivative work is a work based on one or more preexisting works. 17 U.S.C. § 101. In general, publication of a derivative work does not affect the validity of a copyright in the preexisting work, despite the incorporation of the underlying work into the derivative work. *Stewart v. Abend,* 495 U.S. 207 (1990). Thus, although the derivative work may enter the public domain, the underlying work itself may remain copyrighted. *Russell v. Price,* 612 F.2d 1123 (9th Cir. 1979), *cert. denied,* 446 U.S. 952 (1980).

Harris argues that while the brochures are both in the public domain, all that means is that the part of the brochure separate from the abbreviated drawings is in the public domain. Harris

vigorously contends that the drawings remain copyrighted because of the copyright in the underlying work. Thus, because Hoffmeyer copied the drawings in the brochure, he is guilty of infringement of the original copyright in the unpublished plans. And that is what the district court decided. The court said that:

> In this case, defendant Hoffmeyer does not dispute that he used the Baird & Warner sales brochure, which contained an abridged version of the copyrighted architectural drawings, as a basis for his drawings. Therefore, the court finds that defendant had access to the copyrighted material.

The court went on to find that Hoffmeyer, therefore, in fact infringed the underlying plans—which there is no evidence that he ever saw.

Our question is the one raised by Hoffmeyer: How can a published work remain copyrighted based on its status as an unpublished work? The answer, at least on these facts, is that it cannot. Because Harris, the alleged owner of the copyright in the unpublished drawings, itself published, without notice, the brochure with the abbreviated drawings, it forfeited its right to protect that part of the drawings which were published. Under the 1976 Act while unpublished works are protected, if a published work is to be protected, it must have proper copyright notice or meet the cure provisions in § 405(a). Otherwise, the protection of a copyright is forfeited. Forfeiture of a copyright under the 1976 Act can arise through a failure to meet the statutory formalities. *See* Edward Samuels, *The Public Domain in Copyright Law*, 41 J. Copyright Soc'y U.S.A. 153. A copyright can be forfeited whether or not the owner of the copyright intends

that result. It can result as a consequence of publication without proper notice and is "effectuated by operation of law regardless of the intent of the copyright owner." 3 *Nimmer on Copyright* § 13.06, *quoted in Donald Frederick Evans v. Continental Homes, Inc.*, 785 F.2d 897, 912 (11th Cir. 1986).

Even though the brochure is a derivative work, in this instance that fact is beside the point. A "publication of a derivative work constitutes a publication of the pre-existing works contained therein." 1 *Nimmer on Copyright* § 4.12[A] n.2. Harris' copyright on the plans themselves depends on their being unpublished. Once Harris, itself, published a part of the drawings without notice, and without using the cure provisions, it forfeited its right to a copyright in the abbreviated drawings.

If the basis of Harris' claim of copyright was that the underlying architectural plans were registered or published with notice, it could prevail. In *Imperial Homes Corp. v. LaMont*, 458 F.2d 895 (5th Cir. 1972), the court considered a situation similar to ours, but arising under the 1909 Act. However, a difference between this case and that one is that Imperial owned registered architectural drawings. Imperial prepared and distributed an advertising brochure which contained only the floor plan from the copyrighted drawings. It noted in the brochure that it claimed a copyright in the floor plans, but no effort was made to copyright the brochure. The court considered two questions. First, whether the reproduction of the floor plan from the copyrighted set of drawings waived or abandoned the copyright. The court determined it did not. The next issue was whether copying the reproduction in the brochure constituted infringement. The court determined that it did.

In response to *LaMont*, Harris would almost surely make

an argument it relied on heavily throughout this appeal. It would likely say that because in the 1976 Act the copyright in an unpublished work is a "statutory copyright," it remains in effect even if some part of the copyrighted material is used in a derivative work. Harris is right that the 1976 Act virtually abolished common law copyright so that now all copyrights are "statutory," (*see* 1 *Nimmer on Copyright* § 4.01), but that does not mean quite what Harris would have it mean. It does not mean that one can claim copyright based on that work's being unpublished even after it is published with one's permission.

The result here might not be the same if a stranger were the one publishing the work containing the abbreviated plans and if he published them without permission: "Congress could not have intended that the various legal consequences of publication under the current Act would be triggered by the unauthorized act of an infringer or other stranger to the copyright." 1 *Nimmer on Copyright* § 4.04 at 4-20. By publishing the brochure, a stranger might be infringing the unpublished copyright. The essence of a derivative work is that "a work will be considered a derivative work only if it would be considered an infringing work if the material that it has derived from a pre-existing work had been taken without the consent of a copyright proprietor of such pre-existing work." 1 *Nimmer on Copyright* § 301. However, when it is Harris itself which publishes the abbreviated drawings, it can no longer claim a copyright based on their unpublished nature.

We think that the Court of Appeals for the Eleventh Circuit got it right. After the effective date of the 1976 Act, that circuit decided *Donald Frederick Evans.* The facts are more complex than those which had been before the court when it was all part of the Fifth Circuit deciding *LaMont.* Donald Frederick Evans

(actually a firm, later called the Evans Group) prepared architectural plans for several clients. It affixed the copyright notice to some of the plans but not the others. Drawings of the floor plans appeared in various publications. Some appeared, without a copyright notice, in a Parade of Homes advertising supplement in a newspaper. Others appeared in sales brochures, which bore no notice of copyright. A developer, using the various derivative publications, drew up plans and began selling homes, which the developer itself brazenly described as "very similar" to the Evans' homes but which were "considerably less expensive."

The court determined that Evans had forfeited its right in the copyright. However, in arriving at that conclusion, the court took another step. Because Evans had not itself published all the brochures, the court considered whether Evans had authorized the publication. A finding of forfeiture of copyright protection cannot be based on an unauthorized distribution of the work without notice because the notice requirement applies only to copies of works published "by authority of the copyright owner," pursuant to § 401[a]. The court determined that Evans authorized the publications and thereby forfeited his copyright. How much more compelling is the conclusion that Harris forfeited its right in the copyright when it itself published the 1983 brochure? The answer is obvious.

As we have said, it is undisputed that Hoffmeyer copied the drawings in the brochure. Because they are in the public domain, there is no infringement. The foregoing necessarily requires that we also find that the copyright is overly broad. It was obtained on the entire set of plans based on their status as unpublished works. Because the status of the works is in fact published as to the material in the brochure, copyright in those

materials has been forfeited by publication without notice. At least as to the material in the brochure, the copyright registration is invalid. For these reasons, the award of summary judgment to Harris must be reversed.

A true Copy:

Teste:

Clerk of the United States Court of Appeals for the Seventh Circuit

APPENDIX C — MEMORANDUM OPINION AND ORDER OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION DATED FEBRUARY 2, 1995

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

No. 90 C 0741

HARRIS CUSTOM BUILDERS, INC.,

Plaintiff,

v.

RICHARD HOFFMEYER,

Defendant and Third-Party
Plaintiff,

v.

EVAN A. HARRIS,

Third-Party Defendant.

MEMORANDUM OPINION AND ORDER

JAMES F. HOLDERMAN, District Judge:

Plaintiff Harris Custom Builders, Inc. ("Harris Builders") filed this action against defendant Richard Hoffmeyer claiming

copyright infringement. Defendant Hoffmeyer then brought a counterclaim against defendant Harris Builders and a third-party complaint against third-party defendant Evan A. Harris, Harris Builders' president, alleging violations of federal racketeering laws and asserting a claim of fraud.

The court previously dismissed both defendant Hoffmeyer's counterclaim and the third-party complaint. Presently before the court are the remaining parties, cross-motions for summary judgment. For the reasons stated below, plaintiff Harris Builders' motion for summary judgment is granted and defendant Hoffmeyer's motion for summary judgment is denied.

BACKGROUND

Plaintiff Harris Builders is in the business of the development of architectural design plans and drawings for the construction of custom built residential homes. Harris Builders' underlying copyright infringement claim is based upon the allegations that defendant Hoffmeyer copied Harris Builders' copyrighted architectural drawings for use in the construction of a residence called "English Manor." Plaintiff has secured the exclusive rights and privileges in the English Manor architectural design plans and drawings by registering its copyright with the Registrar of Copyrights.[1] Plaintiff has obtained a Certificate of Registration for its copyright identified as Registration No. VAU 149-275 dated January 31, 1989.[2]

Plaintiff alleges that defendant built a house substantially identical to the house depicted in plaintiff's copyrighted

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1. Second Amended Complaint, Exhibit B.

2. Second Amended Complaint, Exhibit A.

architectural drawings. Plaintiff claims that it obtained a copy of the drawings for the house defendant built and found that those drawings were substantially identical to plaintiff's copyrighted drawings, particularly with respect to the outside appearance, the general layout of the rooms, the locations of the fireplaces and one staircase, the approximate dimensions of the rooms, and the types, locations and sizes of the windows and doors. Plaintiff's copyright claim has been the subject of two motions for summary judgment filed by defendant Hoffmeyer court denied both. *See* Orders of Feb. 27, 1992 and Oct. 9, 1992.

In defendant Hoffmeyer's counterclaim and third-party complaint, Hoffmeyer alleged that plaintiff Harris Builders committed fraud on the copyright office when applying for a copyright and engaged in racketeering behavior by seeking to enforce a copyright which Harris allegedly knew was invalid. According to Hoffmeyer, the fraud allegedly occurred when Harris Builders, on the application for registration of the copyright, listed itself as the author of the drawings without mentioning Maxwin Heimann, who for the most part, created the drawings. Both parties have now filed cross-motions for summary judgment on the issue of defendant Hoffmeyer's liability for copyright infringement.

ANALYSIS

I. *Standard For Review*

Under Rule 56(c), summary judgment is proper "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the

moving party is entitled to a judgment as a matter of law." Fed. R. Civ. Pro. 56 (c). In ruling on a motion for summary judgment, the evidence of the non-movant must be believed and all justifiable inferences must be drawn in the non-movant's favor. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255, 106 S. Ct. 2505, 2513 (1986). This court's function is not to weigh the evidence and determine the truth of the matter, but to determine whether there is a genuine issue for trial.

II. *Elements of a Copyright Infringement Claim*

In order to prevail in a copyright infringement action, a plaintiff must demonstrate both " '(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original.' " *Wildlife Express Corp. v. Carol Wright Sales, Inc.*, 18 F.3d 502, 507 (7th Cir. 1994) (quoting *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361, 111 S. Ct. 1282, 1296 (1991)). A certificate of copyright registration from the U.S. Register of Copyrights constitutes prima facie evidence of the validity of the copyright. 17 U.S.C. § 410(c). However, this presumption in favor of validity is rebuttable; once the certificate has been produced, the burden shifts to the defendant to demonstrate that the copyright is in fact invalid. *Wildlife Express*, 18 F.3d at 507.

"An owner of a copyright is protected against unauthorized copying." *Id.* at 508 (citing *Mazer v. Stein*, 347 U.S. 201, 218, 74 S. Ct. 460, 470 (1954)). When direct evidence of copying is lacking, "copyright infringement may be inferred when it is shown that 'the defendant had access to the copyrighted work, and the accused work is substantially similar to the copyrighted work.' " *Wildlife Express*, 18 F.3d at 508 (quoting *Atari, Inc. v. North American Philips Consumer Elecs. Corp.*, 672 F.2d 607, 614 (7th Cir.), *cert. denied*, 459 U.S. 880 (1982)).

Appendix C

A. *Validity*

Defendant Hoffmeyer attempts to challenge the validity of plaintiff's copyright of the architectural drawings by arguing again, as he alleged in his dismissed counterclaims, that plaintiff knowingly misrepresented material facts on the copyright application to intentionally deceive the Copyright Office. Defendant once again, however, has not presented any evidence indicating that plaintiff deliberately failed to notify the Copyright office of any facts which would have caused plaintiff's copyright application to be rejected. *See* Orders of February 27, 1992 and July 7, 1994.

Hoffmeyer contends that Harris knowingly misrepresented material facts on its copyright application for the English Manor architectural drawings to intentionally deceive the Copyright Office by listing Harris Builders as the author of the drawings without mentioning Maxwin Heimann, the individual who, for the most part, prepared the drawings. Hoffmeyer again argues that because Heimann was "an independent contractor" for Harris Builders at the time he prepared the drawings, Harris Builders' designation of itself as the author of the drawings in its copyright application was fraudulent under the standard established by the Supreme Court in *Community for Creative Non-Violence v. Reid*, 490 U.S. 730, 753, 109 S. Ct. 2166, 2179-80 (1989). This court has, however, already rejected this argument.

While it is true that the Supreme Court held in *Reid* that the "work for hire" provision of 17 U.S.C. § 101 generally applies only to works produced by employees of an entity, not to those created by independent contractors such as Heimann, the *Reid* decision was issued in June 1989, more than four months after

Harris Builders completed the copyright registration process. Before the Supreme Court's decision in *Reid*, the case law was unclear and conflicting as to whether a work produced by an independent contractor could be copyrighted by the hiring party as "a work made for hire."[3]

For example, in *Evans Newton, Inc. v. Chicago Systems Software*, 793 F.2d 889 (7th Cir.), *cert. denied*, 479 U.S. 949, 107 S. Ct. 434 (1986), the Seventh Circuit ruled that a hiring party could claim authorship of work produced by an independent contractor if the hiring party exercised a sufficient degree of control or supervision over the independent contractor's creation of the work. *Id.* at 894. Therefore, as this court previously held, the fact that the Supreme Court's interpretation of the law later undercut Harris' position, does not convert Harris' conduct, which was supported by the law as it existed at the time, into fraud.

Defendant also argues that because plaintiff included abbreviated and incomplete first and second floor plans and a sketch of the front exterior of the English Manor house in a Baird & Warner promotional sales brochure which was not copyrighted, the copyrighted blueprints upon which the brochure was based are no longer protected. The court, however, disagrees and finds that the entry of the sales brochure into the public domain does not affect the copyright protection of the underlying drawings.

The sales brochure is considered to be a derivative work, that is, a work based upon one or more preexisting works. 17 U.S.C. § 101. The law is clear that the publication of a derivative

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3. *See Reid*, 490 U.S. at 736 n.2, 109 S. Ct. 2170-71 n.2 (detailing holdings of various courts of appeals).

work does not affect the validity of a copyright in the pre-existing work on which the derivative work is based, despite the incorporation of the underlying work into the derivative work. *Stewart v. Abend*, 495 U.S. 207, 235, 110 S. Ct. 1750, 1767 (1990) ("[N]either the scope of the copyright . . . nor the duration of the copyright in the original work is undermined by publication of the derivative work."). Copying of material in the derivative work, which is also contained in the underlying work, constitutes infringement of the copyright in the underlying work. *Id. See also, Russell v. Price*, 6112 F.2d 1123, 1128 (9th Cir. 1979), *cert. denied*, 446 U.S. 952 (1980) ("The established doctrine prevents unauthorized copying or other infringing use of the underlying work or any part of that work contained in the derivative product so long as the underlying work itself remains copyrighted."). "Thus, although the derivative work may enter the public domain, the matter contained therein which derives from a work still covered by statutory copyright is not dedicated to the public." *Id.* The court therefore concludes that as a matter of law defendant has failed to demonstrate that plaintiff's copyright for the English Manor architectural drawings is invalid.

B. *Access*

Access exists when the defendant had the opportunity to view the protected material. *Wildlife Express*, 18 F.3d at 508 n.5 (citations omitted). In this case, defendant Hoffmeyer does not dispute that he used the Baird & Warner sales brochure, which contained an abridged version of the copyrighted architectural drawings, as a basis for his drawings. Therefore, the court finds that defendant had access to the copyrighted material.

Appendix C

C. *Substantial Similarity*

The test of substantial similarity involves two inquiries: "copying of the plaintiff's work and improper appropriation of the work." *Id.* "It has long been settled that a plaintiff cannot succeed in his proof if (1) the similarities between the works are not sufficient to prove copying, or (2) it is established that one work was arrived at independently without copying." *Wildlife Express*, 18 F.3d at 508 (citing *Alfred Bell & Co. v. Catalda Fine Arts*, 191 F.2d 99, 103 (2d Cir. 1951)).

In the Seventh Circuit, "the determination whether there is substantial similarity is made by the 'ordinary observer' test: 'whether the accused work is so similar to the plaintiff's work that an ordinary reasonable person would conclude that the defendant unlawfully appropriated the plaintiff's protectible expression by taking material of substance and value.' " *Wildlife Express*, 18 F.3d at 509 (quoting *Atari*, 672 F.2d at 614)). "[T]wo works are substantially similar if "the ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them, and regard their aesthetic appeal as the same.' " *Wildlife Express*, 18 F.3d at 509 (quoting *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, 274 F.2d 487, 489 (2d Cir. 1960)). "It has been said that this test does not involve 'analytic dissection and expert testimony,' *Arnstein*, 154 F.2d 464, 468 (2d Cir. 1946), but depends on whether the accused work has captured the 'total concept and feel' of the copyrighted work, *Roth Greeting Cards v. United Card Co.*, 429 F.2d 1106, 1110 (9th Cir. 1970)." *Atari*, 672 F.2d at 614.

"Although numerous differences influence the impressions of ordinary observer, 'slight differences between a protected work and an accused work will not preclude a finding of

infringement' where the works are substantially similar in other respects." *Atari*, 672 F.2d at 618 (quoting *Durham Industries, Inc. v. Tomy Corp.*, 630 F.2d 905, 913 (2d Cir. 1980)). "Exact reproduction or near identity is not necessary to establish infringement" *Atari*, 672 F.2d at 618. *See also, Wildlife Express*, 18 F.3d at 511 ("The Act does not require identical copying, only substantial similarity."). "The *sine qua non* of the ordinary observer test . . . is the overall similarities rather than the minute differences between the two works." *Atari*, 672 F.2d at 618 (citations omitted). "When analyzing two works to determine whether they are substantially similar, courts should be careful not to lose sight of the forest for the trees." *Id.* In this circuit, when reviewing the materials at issue for substantial similarity, the court permits a "side-by-side" comparison and an "ocular comparison" of the works being analyzed. *Wildlife Express*, 18 F.3d at 506-07 n.1 (citations omitted).

The court notes that summary judgment is not favored on the question of substantial similarity in copyright cases. *See e.g., Kouf v. Walt Disney Pictures & Television*, 16 F.3d 1042, 1045 n.3 (9th Cir. 1994). Summary judgment is proper, however, "if reasonable minds could not differ as to the presence or absence of substantial similarity of expression." *See v. Durang*, 711 F.2d 141, 142 (9th Cir. 1983). *See also, Shaw v. Lindheim*, 919 F.2d 1353, 1355 (9th Cir. 1990) ("Where reasonable minds could differ on the issue of substantial similarity . . . summary judgment is improper."); *Pivot Point Int'l v. Charlene Prods., Inc.*, No. 90 C 6933, 1994 U.S. Dist. LEXIS 8993 at *13 (N.D. Ill. June 29, 1994) (summary judgment granted in favor of plaintiff after finding that the items were substantially similar such that no reasonable ordinary observer could find to the contrary).

Appendix C

In this case, although defendant Hoffmeyer points to numerous "differences" between the two architectural drawings, after careful comparison, the court finds that any reasonable ordinary observer must conclude that the architectural drawings are substantially similar.[4] Overlaying each transparency sheet of plaintiff's copyrighted drawings upon the corresponding sheet of the accused drawings reveals the following material substantial similarities:

1. nearly identical general layout and approximate dimensions of all rooms;

2. nearly identical placement of rooms in both the downstairs and upstairs;[5]

3. nearly identical outside appearance in both the front and rear;

4. nearly identical types, locations and sizes of the windows and doors;

5. identical placement of fireplaces throughout house;

6. identical placement of desk, refrigerator, sinks and pantry in the kitchen;

7. identical placement of built-in bookcase in the den;

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4. *See* Group Exhibits 7 and 8, transparencies of plaintiff's copyrighted drawings and defendant's accused drawings respectively.

5. Defendant's drawings contain, however, a two-story foyer in place of Bedroom 5.

8. identical placement of the bathtub, toilet, and exhaust fan in second-upstairs bath; and

9. identical placement of the shower, toilet and exhaust fan in third upstairs bath.

In fact, the drawings are overall virtually identical. The court therefore concludes that the overall similarities of the drawings far outweigh the relatively trivial differences. *See Wildlife Express*, 18 F.3d at 511. The close resemblance between the drawings sufficiently establishes the drawings are substantially similar as a matter of law.

CONCLUSION

For the reasons stated above, plaintiff Harris Custom Builders, motion for summary judgment on the issue of liability is GRANTED and defendant Richard Hoffmeyer's motion for summary judgment is DENIED. The parties are strongly urged to discuss the settlement of the remaining issue of damages. The case is set for further status on March 6, 1995 at 10 a.m.

ENTER:

s/ James F. Holderman
JAMES F. HOLDERMAN
United States District Judge

DATED: February 2, 1995

Appendix C

Minute Order Form (rev. 12/90)

UNITED STATES DISTRICT COURT,
NORTHERN DISTRICT OF ILLINOIS

Name of Assigned Judge or Magistrate Judge
James F. Holderman

Case Number *90 C 741*

Date *Feb. 2, 1995*

Case Title *Harris Custom Builders v. Richard Hoffmeyer et al*

* * *

DOCKET ENTRY:

Enter memorandum opinion and order that plaintiff's motion for summary judgment on the issue of liability is granted and defendant Hoffmeyer's motion for summary judgment is denied. Parties are strongly urged to discuss settlement and report on the status thereof on March 6, 1995 at 10:00 a.m.

* * *

date mailed notice *2-2-95*